

CONSTRUCTION AND ALTERATION OF VETERANS' ADMINISTRATION HOSPITALS

SEPTEMBER 27, 1971.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. TEAGUE of Texas, from the Committee on Veterans' Affairs, submitted the following

REPORT

[To accompany H.R. 6568]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 6568) to limit the authority of the Veterans' Administration and the Office of Management and Budget with respect to the construction, acquisition, alteration, or closing of veterans' hospitals, and to prohibit the transfer of Veterans' Administration real property unless such transfer is first approved by the House Committee on Veterans' Affairs, having considered the same, report favorable thereon, unanimously by voice vote with amendments, and recommend that the bill as amended do pass.

The amendments are as follows:

On page 3, line 10, strike out "the Independent Offices Appropriation Act, 1966" and insert "Department of Housing and Urban Development; Space, Science, Veterans, and Certain Other Independent Agencies Appropriation Act, 1972".

Page 3, lines 16 and 23, strike out "\$200,000" and insert "\$100,000". Page 4, line 15, strike out "January 1, 1971" and insert "October 1, 1971".

BRIEF SUMMARY OF THE BILL

Under the bill as reported by the committee, future major hospital or domiciliary construction or alteration by the Veterans' Administration and any closing of hospitals or domiciliaries must be justified in advance to the Committee on Veterans' Affairs of the House of Representatives, and (except for proposed projects for alteration costing between \$100,000 and \$500,000) the committee must thereafter act on each such proposal before any appropriation could be made to carry it out.

EXISTING PRACTICES

Under existing law, whenever the Veterans' Administration desires to build a new hospital, it submits plans and specifications for the proposed construction to the Office of Management and Budget and after approval by the Office of Management and Budget, the proposal is then submitted to the President. If and when the President gives his approval, funds are requested in the next budget for the specific project and if voted as a part of the Independent Offices Appropriation Act, then the hospital is built in accordance with the plans previously agreed upon by the Veterans' Administration and the Office of Management and Budget.

The Committee on Veterans' Affairs has made many studies of the medical program of the Veterans' Administration, and was primarily responsible for the development of a long-range program for construction of new hospitals, and for modernization and improvement of the existing hospital facilities of the Veterans' Administration. No changes were required to be made in the law for this program to be carried out, but it was generally understood that the committee would keep in close touch with the program as it developed. The committee has a continuing interest in all phases of the medical program operated by the Veterans' Administration.

Recently the Veterans' Administration has, on its own, initiated changes in this long-range program without any advance consultation with the Veterans' Affairs Committee, and in some instances, without any advance notice. The committee is of the opinion that this trend endangers the successful accomplishment of the long-range program already worked out, and feels that the law should clearly reflect the committees' right to be notified in advance and consulted about changes proposed to be made in the program. It is relevant at this point to include in this report a recent letter dated August 3, 1971, from the chairman of this committee to the Administrator of Veterans' Affairs expressing renewed concern with respect to the VA construction program.

EXPLANATION OF THE REPORTED BILL

Under the bill as reported the Committee on Veterans' Affairs will have greater control over the Veterans' Administration's program of construction, renovation, and modernization and major repair of hospitals and domiciliaries and any proposed closings.

The amendment made by the reported bill, which is modeled very closely upon section 7 of the Public Buildings Act of 1959, adds new subsections (g), (h), and (i) to section 5001 of title 38 (the existing authority for hospital and other construction), and limits the general grant of authority contained in that section.

Briefly, the bill, as reported, would provide as follows:

In the case of any new construction or acquisition of a hospital or domiciliary which involves an expenditure in excess of \$100,000 or alteration of an existing hospital or domiciliary which involves an expenditure in excess of \$500,000, such construction, alteration, or acquisition may not proceed until it has been specifically approved by a resolution of the House Committee on Veterans' Affairs.

In the case of alteration of an existing hospital or domiciliary which involves an expenditure in excess of \$100,000 but equal to or less than \$500,000, a prospectus giving full details on this proposal shall be filed with the House Committee on Veterans' Affairs and such alteration may proceed 60 days thereafter unless the House Committee on Veterans' Affairs has adopted a resolution stating that it does not favor such proposal.

Third, no hospital or domiciliary over which the Administrator of Veterans' Affairs has direct and exclusive jurisdiction and which was in operation on the date of enactment of this proposed legislation shall be closed until and unless such closing is specifically approved by a resolution adopted by the House Committee on Veterans' Affairs,

Fourth, section 2 provides that notwithstanding any other provision of law, on or after October 1, 1971, no real property which was under the jurisdiction of the Veterans' Administration on that date may be transferred (by sale, lease, or otherwise) to any public or private agency or person unless such transfer is first approved by a resolution adopted by the House Committee on Veterans' Affairs.

PREVIOUS LEGISLATION ON SUBJECT

It should be noted for the record that a substantially identical bill, H.R. 4347, 88th Congress was reported favorably by this committee on March 28, 1963, and passed the House on June 19, 1963, but failed of action in the other body. In the following Congress, this committee also favorably reported an identical bill, H.R. 202, 89th Congress on June 8, 1965. Further action by the House was deferred in view of the then President's Special Committee on Hospital Closings which was deemed at the time to obviate the need for special legislation on this subject. As indicated in the Chairman's letter of August 3, 1971, to the Director, Office of Management and Budget, experience in the 6 succeeding years leads the committee to conclude that renewed legislative action is indicated.

CONCLUSION

The Department of Medicine and Surgery of the Veterans' Administration has 168 hospitals and 18 domiciliaries under its direct jurisdiction. The planning for and supervision of a medical program of such a vast scope, and the programing of new facilities, therefor, is a heavy responsibility. The committee agrees with the observation of the then Administrator's report on H.R. 4347, 88th Congress, when he said: "Effective discharge of this responsibility obviously requires an orderly system of long-range planning to achieve the best and most equitable results."

The House Committee on Veterans' Affairs is charged under the Legislative Reorganization Act with legislative oversight over these activities, and it is felt that the effective discharge of this responsibility obviously requires that the committee be advised in advance and consulted in advance with respect to the carrying out of the long-range construction program, and other programs, designed to provide medical care and treatment for veterans. The committee feels that

the reported bill will insure such advice and consultation, and recommends its enactment.

In the event of approval of the bill by the House of Representatives, the measure will of course be referred in the other body to the committee's counterpart, the Senate Committee on Veteran's Affairs, which will appropriately exercise its prerogative in determining the extent to which it also finds a need to participate in the legislative oversight procedure set forth in the bill.

Cost

The Veterans' Administration advises that enactment of this bill will result in no additional cost to the Government and the committee concurs in this view.

The reports of the Veterans' Administration and of the General Services Administration follow:

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., April 22, 1971.

HON. OLIN E. TEAGUE,
Chairman, Committee on Veterans' Affairs, House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: The following comments are furnished in response to your request for a report on H.R. 6568, 92d Congress. This will serve also as a report on H.R. 470, 92d Congress, which is identical to section 1 of H.R. 6568.

The purpose of the bill is to limit the authority of the Veterans' Administration and the Office of Management and Budget with respect to construction, acquisition, alteration, or closing of veterans' hospitals, and to prohibit the transfer of Veterans' Administration real property unless such transfer is first approved by the House Committee on Veterans' Affairs.

Section 1 of the bill would add subsections (g), (h), and (i) to section 5001 of title 38, United States Code, to require, generally, that future major hospital or domiciliary construction or alteration by the Veterans' Administration and any closing of hospitals or domiciliaries must be justified in advance to the House Committee on Veterans' Affairs and approved by the committee.

The proposed subsection (g) would prohibit any appropriation for construction or acquisition by the Veterans' Administration of a hospital or domiciliary facility involving an expenditure in excess of \$100,000 or alteration of such existing facilities exceeding \$500,000, unless the Administrator has transmitted to Congress a prospectus of the project which is thereafter approved by resolution of the Committee on Veterans' Affairs. The requirements of this subsection and subsection (h) would not apply to any project for which funds have been appropriated before or after the date of enactment of this subsection. If a project is approved by the committee and an appropriation has not been made within 1 year from the approval, the committee would rescind its approval at any time before an appropriation is made.

The proposed subsection (h) would provide that no appropriation shall be made for the alteration of an existing hospital or domiciliary

which involves an expenditure in excess of \$200,000 but not more than \$500,000, unless the Administrator has submitted a prospectus of each proposed project to the Committee on Veterans' Affairs during the session in which the appropriation is to be made. Subsection (h) also provides that appropriations may not be made until 60 days after the Administrator has submitted such prospectus, and then only if the committee has not adopted a resolution during the 60 days stating that it does not favor such project.

The new subsection (i) would prohibit closing of a Veterans' Administration hospital or domiciliary which is in operation on the date of enactment of this legislation unless such closing is approved by resolution adopted by the Committee on Veterans' Affairs.

Section 5001 of title 38 now authorizes the Administrator, subject to the approval of the President, to provide hospitals and domiciliaries of such nature and at such locations as he determines. Pursuant to this statutory provision, Presidential approval of type, size, location, and cost of each major project in the new and replacement hospital program is secured. Following this, appropriation requests are submitted and final requests for appropriations are transmitted.

The construction, renovation, or major repair of a Veterans' Administration hospital results from complex and detailed long-range planning. Many unusual factors must be considered in the design and location of these special-purpose facilities. Our long-range planning contemplates hospital location and relocation where beds are required to meet patient demand, with due consideration to the availability of professional staff. In this process, consideration is also given to distribution of beds by type and by geographic area, taking account of shifts in veteran population.

Various special public facilities were excluded from the definition of "public building" in the Public Buildings Act of 1959 (40 U.S.C. 612). One specific exception is any building "on Veterans' Administration installations used for hospital or domiciliary purposes." This exemption represents congressional recognition of the need for flexibility in administrative planning and the execution of plans to construct or alter special purpose facilities such as veterans' hospitals. The fact that the Public Buildings Act has not applied to the construction of VA medical facilities does not deprive the Congress of the ultimate review function which it exercises over this program through the appropriation process.

We believe that the experience of the Veterans' Administration over the years has demonstrated the soundness of the policy adopted by the Congress in 1931, when it enacted Public No. 868, 71st Congress, which vested in the Administrator, subject to the approval of the President, the authority to establish and locate hospitals and other medical facilities to provide care for eligible veterans. I am fearful that enactment of subsections (g) and (h) of the bill would seriously impair, if not disrupt, the orderly system of administrative planning which has proved effective for many years.

Among other things, difficult problems in meeting construction schedules and commitments would be presented. More importantly, the requirements of these subsections would tend to slow up, and in some instances might frustrate our efforts to locate and relocate hospital beds in accordance with geographic shifts in the veteran population and to better meet problems of patient demand and staffing.

The veto authority which these proposals would place in this committee would create uncertainty and could nullify decisions reached after long periods of intensive study followed by a review and final consideration at the highest level of the executive branch.

As to the proposed subsection (i), the authority to close hospitals and other VA medical facilities is implicit in section 5001 of title 38, which gives the Administrator, subject to approval of the President, clear authority to construct or acquire these facilities and determine their nature and location. To be effective, this authority must carry with it the corresponding authority to close facilities in some situations in order to make adjustments in the spread of the overall system as required to serve better the medical requirements of eligible veterans.

The Administrator has long been vested with specific statutory authority to change and redistribute activities as an incident of his overall management responsibility. This was conferred by the act creating the Veterans' Administration, Public No. 536, 71st Congress, which granted him, under the direction of the President, the power to "consolidate, eliminate, or redistribute the functions of the bureaus, agencies, offices, or activities in the Veterans' Administration. * * *". These powers were preserved from repeal when Public Law 85-56 was enacted (section 2304) and were carried forward by section 4 of Public Law 85-857, which codified the present title 38, United States Code. The code itself (38 U.S.C. 210(b)) also provides that the Administrator, under the direction of the President, is responsible for the management of the Veterans' Administration and that "Except to the extent inconsistent with law, he may consolidate, eliminate, abolish, or redistribute the functions of the bureaus, agencies, offices, or activities in the Veterans' Administration. * * *".

If subsection (i) were implemented, it would seriously impede efforts of the Veterans' Administration to continue and enhance the effective operation of our medical program. Neither short-range nor long-range plans for the consolidation of facilities could be made with any certainty of execution. Plans to relocate hospitals in the light of shifts in veteran population and patient demand could be made only on a very tentative basis. The construction of a new hospital in one location in order to provide better service might be precluded because of a committee determination against the closing of another hospital, perhaps in the same general area. This procedure would, in a variety of ways, diminish the sound administrative latitude in the planning and operation of the VA medical program which should remain an executive function.

Furthermore, subsection (i) would vest in a congressional committee the power to approve or disapprove determinations of the executive branch that a VA hospital or other VA medical facility which is in operation on the date of its enactment should be closed and would seek to prohibit such a closing unless approved by the committee. It seems clearly to violate the constitutional principle of separation of executive and legislative powers. The Department of Justice has advised us that it "has consistently maintained that legislative provisions vesting in a congressional committee the power to approve or disapprove actions vested by law in the executive branch are unconstitutional." See 37 Op. A. G. 56 (Attorney General Mitchell) (1933); 41 Op. A. G. 230 (Attorney General Brownell) (1955); 41 Op. A. G. 300 (Attorney General Rogers) (1957). The Justice Department has also indicated

that subsection (i) is such a provision and that the Department opposes its enactment.

Section 2 of H.R. 6568 would also be unconstitutional under the Department of Justice precedents cited above. This section would prohibit the transfer, by sale, lease, or otherwise, of any real property which was under the jurisdiction of the Veterans' Administration on January 1, 1971, unless such transfer is first approved by the committee.

Our authority to dispose of interests in real property is provided by 38 U.S.C. 5012(a) (outleasing) and 38 U.S.C. 5014 and 40 U.S.C. 319 (easements and right-of-way). Gifts of real property may be disposed of under 38 U.S.C. 5104. Other disposal authority comes from the General Services Administration by delegation. Present Veterans' Administration policy dealing with optimum land use in accordance with long-range plans includes in the criteria to be considered, possible use of affiliated medical school or health care training facilities, as well as Veterans' Administration physical facilities, roads and parking, recreation areas, overall esthetics, buffer zones, easements to public utility companies, State or local governments, topography, and cemeteries to assure that land which is essential to Veterans' Administration activities and responsibilities is not mistakenly declared excess. We feel that this policy assures our maintenance of interest in real property adequate to meet our future needs.

In addition to the constitutional question, we are of the view that the provisions of section 2 of H.R. 6568 would impose undue and unnecessary limitations on the authority of the agency.

In summary, I am convinced that the restrictive procedures which would be imposed by the proposed legislation would work to the detriment of the VA medical program and would deeply erode the sound policy which has long been followed under existing law. The additional requirements and prohibitions would seriously interfere with the systematic planning which is essential to the effective discharge of responsibilities which the Veterans' Administration, under direction of the President, must strive to meet in serving the medical needs of our veterans. Accordingly, I strongly recommend against favorable consideration of this legislation by your committee.

We are advised by the Office of Management and Budget that enactment of the subject bills would not be in accord with the program of the President.

Sincerely,

DONALD E. JOHNSON,
Administrator.

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., April 21, 1971.

HON. OLIN E. TEAGUE,
Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Your letter of March 29, 1971, requested the views of the General Services Administration on H.R. 6568, 92d Congress, a bill to limit the authority of the Veterans' Administration and the Office of Management and Budget with respect to the construction, acquisition, alteration, or closing of veterans' hospitals, and to

prohibit the transfer of Veterans' Administration real property unless such transfer is first approved by the House Committee on Veterans' Affairs.

The purpose of the bill is stated in the title.

Our comments are limited to section 2 of the bill which states, "Notwithstanding any other provision of law, on or after January 1, 1971, no real property which was under the jurisdiction of the Veterans' Administration on that date may be transferred (by sale, lease, or otherwise) to any public or private agency or person unless such transfer is first approved by the resolution adopted by the Committee on Veterans' Affairs of the House of Representatives."

Congress enacted the Federal Property and Administrative Services Act of 1949 to provide an economic system for the utilization of Federal property by Federal agencies and the disposal of surplus property. Section 2, if enacted, would preclude the exercise of GSA's real property utilization and disposal functions with respect to all real property that may be excess to the requirements of the VA regardless of whether it had been reported as excess or not, pending approval by the Committee on Veterans' Affairs of the House of Representatives.

Section 2 of the bill is also contrary to the intent and purpose of Executive Order 11508, directing that executive agencies institute vigorous and complete surveys of all real property under their control; identify properties that are not utilized, underutilized, or not being put to optimum use; and promptly report excess property to GSA for further Federal use or disposition.

For the foregoing reasons, GSA is opposed to the enactment of section 2 of the proposed bill.

We understand that there is question as to the constitutionality of this section about which the committee may wish to consult the Department of Justice.

The Office of Management and Budget has advised that, from the standpoint of the administration's program, there is no objection to the submission of this report to your committee.

Sincerely,

HAROLD S. TRIMMER, Jr.,
Assistant Administrator.

AUGUST 3, 1971.

MR. GEORGE P. SHULTZ,
Director, Office of Management and Budget,
Executive Office Building, Washington, D.C.

DEAR MR. SHULTZ: I am writing to express my special concern about the failure of the executive branch of the Government through-out several administrations to live up to an agreement made with the Congress during the Eisenhower administration to replace and modernize many Veterans' Administration hospital facilities. Many of the structures which are still being used were constructed prior to or during World War II as temporary military hospitals and were later inherited by the Veterans' Administration. Two domiciliaries have buildings which are over 100 years old. Four others have buildings which were constructed prior to 1900. In general, these facilities are very crowded and unsatisfactory.

In 1944 Congress authorized expansion of the VA hospital system by appropriating \$1.1 billion to add approximately 49,000 new beds to the VA system. In 1958, because of concern that VA hospitals were not keeping pace with those in the private medical sector, the Administrator appointed a special task force, including representatives from the then Bureau of the Budget, to study and appraise long range modernization and replacement requirements. This 2-year study resulted in a 12-year plan to spend \$900 million to modernize 65,629 beds at 72 existing pre World War II hospitals and to construct 11,029 new beds to replace some completely outmoded facilities. This plan was presented to the House Veterans' Affairs Committee and to both Appropriations Committees as a plan to support future appropriation requests. It was accepted by the Bureau of the Budget and the Congress. It received the enthusiastic endorsement of the National veterans' organizations. Funding for the program was started in 1961 with the appropriation of \$75 million and this approximate level of appropriations was maintained for the next 4 years. Without consultation with the appropriate congressional committees, the plan was revised in 1962 to \$1.3 billion over a 15-year period, with an annual funding level of about \$90 to \$100 million. This new level was reflected in appropriations of about \$98 million in fiscal 1965 and about \$91 million in fiscal 1966.

Later, and again without consultation with appropriate congressional committees, the plan was revised upward to a \$2 billion program to be funded over a 20-year period at approximately \$115 million annually. However, funding fell far short of the projected levels. About \$52 million was appropriated in 1967 and 1968; about \$8 million in 1969; \$69 million in 1970; \$59 million in 1971; and \$93 million in fiscal 1972. During the past 12 fiscal years the Veterans' Administration has requested construction funds of almost \$1.2 billion. The Bureau of the Budget and its successor, the Office of Management and Budget, has permitted VA to include in their budget a total of \$847,604,000 and the Congress has appropriated through fiscal 1972 a total of \$827,882,000 or almost \$347 million less than the Veterans' Administration requested in an effort to keep many of their hospital facilities from deteriorating.

The appropriated funds have or will be used as follows:

	<i>Millions</i>
New, replacement, and relocation hospital	\$408
Modernization of hospitals	149
Other hospital improvements	176
Restoration centers	2
VA nursing homes	14
Alterations and construction of research facilities	40
General administration	36

Of the 72 hospitals scheduled for modernization under the original 12-year plan, six have been closed, one was destroyed during the San Fernando earthquake, eight have received partial funding and 41 have not been funded at all through fiscal year 1972. In view of the time lapse on the modernization program, some of the hospitals scheduled for major modernization 12 years ago may now be so outdated and outmoded that replacement with new facilities may be more feasible than major modernization.

I do not believe that the VA construction program can any longer endure the hit-or-miss funding plan which it has experienced over the

past 12 years. The average age of the almost 15 million World War II veterans is now about 52 and they are fast approaching the time when they will be needing more and more acute and long term care similar to that required by the Veterans of World War I. If this Nation is to keep its commitment to its veterans, including the millions of Vietnam era veterans who are now being discharged, it is abundantly clear that an up-to-date plan should be presented to the Congress for consideration. I have been told recently that a "6-year projection for fiscal years 1973-78" exists; however, no such plan has been transmitted to our committee, although it should be obvious to the Veterans' Administration that this committee has a vital interest in the planning and development of VA hospital facilities.

I also know that from time to time there have been substantial sums of unobligated funds in this program; however, I am convinced that many projects have been delayed on order from the Office of Management and Budget in an effort to curtail the program. There are over 10 major projects which should have received at least partial or additional funding in the 1972 budget which were not included even though hospital space planning and criteria studies had been completed and the projects were ready to be funded for preliminary plans and other purposes. As of June 30, 1971, approximately \$35 million remained unobligated which could and should have been used to improve the delivery of health care to America's veterans. Large numbers of VA hospitals are not air conditioned even though design plans have been developed for many of them.

It is my belief that a new VA hospital construction program plan should be presented to the appropriate committees of Congress, including this committee, at the earliest possible date. I believe that a tentative plan should be submitted for study by November 1, 1971, and it should be finalized so that the first phase can be included in the 1973 appropriation request.

I appreciated the opportunity of discussing this problem personally a few days ago at the White House. In those discussions emphasis was placed on the care of service-connected veterans. The inference was that an obligation to the non-service-connected veterans does not exist, or at best, is of low priority.

I am aware that the law provides that non-service-connected veterans will receive care on a bed-available basis, but I think it should be pointed out that over 42,000 of the operating beds of the Veterans' Administration are utilized in the care of mental cases and I think it is generally recognized that this type of case must be supported in public facilities, whether at the Federal, State or county level. In addition, approximately 25,000 of the patients are elderly nursing care cases whose income is minimal. This type of case also requires public care at some level.

We are in the process now of organizing a drug abuse program to meet a current serious public problem. Many of the non-service-connected medical patients in the Veterans' Administration are poverty stricken or suffer from disastrous disease affliction. The point I am making is that even if the Veterans' Administration closed a substantial portion of its facilities and ceased to care for non-service-connected veterans, this certainly does not mean that most of these cases would not continue to require care in public facilities at the

expense of the taxpayer. A substantial number of the VA patients are medicare eligible, even though VA received no reimbursement.

At the close of our conversation you said to me, "We (the Office of Management and Budget) are not as bad as you think we are." For many years we carried on a close, cooperative relationship with your predecessor agency, the Bureau of the Budget, but in recent years we have had no direct contact with the agency. I am convinced that those personnel of the Office of Management and Budget at the review level are antagonistic to the Veterans' Administration medical program. That group has just scheduled a month-long conference and study "to define the major choices for Federal investment in Veterans' Administration hospital construction 1973-77, based on alternative Veterans' Administration role in the President's health program and consequent VA hospital bed requirement." The President's health program has been used for some time now as an excuse for not facing up to VA construction and funding requirements. There is no doubt in my mind that when this study is complete that the recommendation will again be, using the President's program as an excuse, to downgrade the Veterans' Administration medical program and seek to rely on other sources for veterans' health care. It appears to me that the role of the VA medical program should have long since been decided. It certainly does appear to be so in the minds of the Members of Congress.

The constant attempts by review level personnel of the Office of Management and Budget to curtail the Veterans' Administration medical program, impede the modernization and construction program and circumvent appropriations made by the Congress is discouraging, is well known to all interested in these programs, and is a source of considerable dissatisfaction in the Congress and among veteran organizations.

I respectfully request that you instruct the appropriate officials in the Office of Management and Budget and the Veterans' Administration to proceed with this planning on a priority basis.

If you disagree with the program or policies suggested, I would appreciate knowing the areas of disagreement and your reasons.

Sincerely,

OLIN E. TEAGUE,
Chairman.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in *roman*):

TITLE 38 OF THE UNITED STATES CODE

PART VI—ACQUISITION AND DISPOSITION OF PROPERTY

CHAPTER 81—ACQUISITION AND OPERATION OF HOSPITAL AND DOMICILIARY FACILITIES; PROCUREMENT AND SUPPLY

Subchapter I—Provisions Relating to Hospitals and Homes

§ 5001. Hospital and domiciliary facilities

(a)(1) The Administrator, subject to the approval of the President, shall provide hospitals, domiciliaries, and out-patient dispensary facilities for veterans entitled under this title to hospital or domiciliary care or medical services. Such hospitals, domiciliaries, and other facilities may be provided by (A) purchase, replacement, or remodeling or extension of existing plants, or (B) construction of such facilities on sites already owned by the United States or on sites acquired by purchase, condemnation, gift, or otherwise.

(2) The Administrator, subject to the approval of the President, is authorized to establish and operate not less than one hundred and twenty-five thousand hospital beds in facilities over which the Administrator has direct and exclusive jurisdiction for the care and treatment of eligible veterans who are tuberculosis, neuropsychiatric, medical, and surgical cases.

(3) The Administrator, subject to the approval of the President, is authorized to establish and operate not less than four thousand beds for the furnishing of nursing home care to eligible veterans in facilities over which the Administrator has direct and exclusive jurisdiction. The nursing beds authorized by this paragraph shall be in addition to the hospital beds provided for in paragraph (2) of this subsection.

(b) Hospitals and domiciliaries provided by the Administrator under subsection (a) shall be of fireproof construction. When an existing plant is purchased it shall be remodeled to be fireproof.

(c) The location of each hospital or domiciliary and its nature (whether for domiciliary care or the treatment of tuberculosis, neuropsychiatric cases, or general medical and surgical cases) shall be within the discretion of the Administrator, subject to the approval of the President.

(d) The Administrator may accept gifts or donations for any of the purposes of this section.

(e) The Administrator, subject to the approval of the President, may use as hospitals, domiciliaries, or out-patient dispensary facilities such suitable buildings, structures, and grounds owned by the United States on March 3, 1925, as may be available for such purposes, and the President may by Executive order transfer any such buildings, structures, and grounds to the control and jurisdiction of the Veterans' Administration upon the request of the Administrator.

(f) As used in this section and in sections 5002 and 5003 of this title, the term "hospitals, domiciliaries, or out-patient dispensary facilities" includes necessary buildings and auxiliary structures, mechanical equipment, approach work, roads, and trackage facilities leading thereto, sidewalks abutting hospital reservations, vehicles, livestock, furniture, equipment, accessories, accommodations for officers, nurses, and attending personnel, and proper and suitable recreational facilities.

(g)(1) *No appropriation shall be made to construct any hospital or domiciliary facility or to acquire any such facility involving an expenditure in excess of \$100,000, and no appropriation shall be made to alter any such facility involving an expenditure in excess of \$500,000, if such construction, alteration, or acquisition has not been approved by a resolution adopted by the Committee on Veterans' Affairs of the House of Representatives, and such approval has not been rescinded as provided in paragraph (3) of this subsection. For the purpose of securing consideration of such approval the Administrator shall transmit to Congress such prospectus of the proposed project, including (but not limited to)—*

(A) *a brief description of the facilities to be constructed, altered, or acquired; and*

(B) *the location of the project, and an estimate of the maximum cost of the project.*

(2) *The estimated maximum cost of any project approved under this subsection as set forth in any prospectus may be increased by an amount equal to the percentage increase, if any, as determined by the Administrator, in construction or alteration costs, as the case may be, from the date of transmittal of such prospectus to Congress, but in no event shall the increase authorized by this paragraph exceed 10 per centum of such estimated maximum cost.*

(3) *In the case of any project approved for construction, alteration, or acquisition, by the Committee on Veterans' Affairs in accordance with paragraph (1) of this subsection, for which an appropriation has not been made within one year after the date of such approval, the committee may rescind, by resolution, its approval of such project at any time thereafter before such an appropriation has been made.*

(4) *This subsection and subsection (h) of this section shall not apply to any project for construction, acquisition, or alteration (A) with respect to which any funds were appropriated before the date of enactment of this subsection or by the Department of Housing and Urban Development; Space, Science, Veterans, and Certain Other Independent Agencies Appropriation Act, 1972, or (B) after any funds have been appropriated with respect to any such project after the date of enactment of this subsection.*

(h)(1) *The Administrator shall submit to the Congress a prospectus of each proposed project to alter any hospital or domiciliary facility involving an expenditure in excess of \$100,000 but equal to or less than \$500,000. In the case of each such proposed project, such prospectus shall include, but not be limited to, (A) a brief description of the facilities to be altered, and (B) an estimate of the maximum cost of the project.*

(2) *No appropriation shall be made to alter any hospital or domiciliary facility involving an expenditure in excess of \$100,000 but equal to or less than \$500,000, unless (A) a prospectus with respect thereto as required by paragraph (1) of this subsection is submitted during the session of the Congress in which such appropriation is proposed to be made, (B) a*

period of sixty days has expired since the date on which the Administrator submitted such prospectus to the Congress, and (C) the Committee on Veterans' Affairs of the House of Representatives has not adopted a resolution during such sixty-day period stating in substance that it does not favor such proposed project.

(i) No hospital or domiciliary facility over which the Administrator has direct and exclusive jurisdiction and which is in operation on the date of enactment of this subsection shall be closed unless such closing is approved by a resolution adopted by the Committee on Veterans' Affairs of the House of Representatives.

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